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meager. The main changes were: allowing segregation of taxes for state and local purposes, allowing an income tax three years after the close of the war with Germany, allowing cities to issue bonds, allowing taxation and bonds for improvements, and exempting bonds from taxation. The old limitations on the amount of taxes were retained and could not be exceeded even by popular vote. Yet the fear that the few changes would result in higher taxes probably turned some votes against the constitution.

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Health Insurance. "Voluntary insurance for sickness is one of the oldest institutions among European and American peoples; but the entrance of the state to exercise its sovereignty by compelling individuals to avail themselves of insuring against hazards is comparatively new."¹

Germany in 1883 adopted an obligatory system; but has since extended the provisions by the laws of 1892, 1903 and 1911 to include additional occupations and industries, to increase benefits and make various other improvements. Norway adopted a similar system in 1909; and Great Britain, a system of compulsory health insurance in 1911. Similar legislation has been enacted in Austria, Hungary, Luxemburg, Serbia, Russia, Rumania and Holland. France, Belgium, Switzerland, Denmark, Sweden and Iceland have adopted a subsidized, voluntary system. The only European countries which, like the United States, are without any general system are Italy, Spain, Portugal, Greece, Bulgaria, Albania, Montenegro, and Turkey.²

In the United States, the development of a system for compensating industrial accidents and reducing the risks of hazardous employment has indicated the necessity for further development along similar lines to eliminate or reduce to a minimum the hazards of sickness and old age. The American Association for Labor Legislation has been foremost in study and publicity for the movement. The association created a special national committee to study questions relating to health insurance in December, 1912; in June, 1913, it organized the first American conference on health insurance.³ In the following year tentative

¹ J. F. Crowell, *Social Insurance*. Feb., 1917., (pam.).

² J. B. Andrews, "Proposed Legislation for Health Insurance." Pp. 549-558. *Bulletin Bureau of Labor Statistics*, No. 212.

³ Irving Fisher, "The Need for Health Insurance," *American Labor Legislation Review*, March, 1917, p. 9.

standards for a proposed bill were published for criticism and discussion. In November, 1915, the tentative draft, which has since been revised several times, was published and further criticisms and suggestions requested.

In 1915, the California legislature passed a bill⁴ creating an unsalaried commission of 5 members to study the question of social insurance. The law was signed by Governor Hiram W. Johnson on May 17, 1915, and went into effect the following August. The commission was organized at Sacramento, California, September 27, 1915.⁵ According to legislative instructions, the commission was "to investigate and consider the various systems of social insurance now in use in different countries of this or other states . . . to report statistics showing the probable expense to the state of any system that it may recommend for adoption, together with any measures of its own relating to this subject that may be deemed expedient."⁶

In 1916, the governors of California, Massachusetts and Nevada supported health insurance in their inaugural messages, while the governors of New Hampshire and Wisconsin urged investigations of the question. Legislative bills modeled after the standard bill of the American Association for Labor Legislation were introduced in the legislatures of Massachusetts, New York and New Jersey in the same year; bringing the discussion from the stage of tentative proposals to questions of immediate political expediency. March 1, 1916, the first American legislative hearing relating to questions of health insurance was held in Boston.

In New York, the senate⁷ voted for the creation of a commission to study the question but the assembly⁸ adjourned without taking any action beyond referring the bill to the committee on ways and means. In Massachusetts, a commission was created: "to study the effects of sickness, unemployment and old age in Massachusetts, to collect facts as to actual experience with the several forms of insurance therefor, and to recommend . . . such legislation as it may deem practical and expedient."⁹

⁴ California: 1915, *Session Laws*, c. 275.

⁵ *Report of the Social Insurance Commission of the State of California*, Jan. 25, 1917, p. 9.

⁶ *Ibid.*, sec. 1, p. 473.

⁷ *New York Senate Journal*, Vol. 1, p. 483. 1917.

⁸ *New York Assembly Journal*, p. 2169. 1917.

⁹ *Massachusetts Resolves*, 1916, c. 157, p. 541.

In 1917, bills relating to health insurance were introduced in the legislatures of 15 states. The California and Massachusetts investigating commissions reported to their respective legislatures, their recommendations having an interesting similarity: the inclusion of all low paid wage-earners under a system providing adequate medical care and financial aid during illness; the support of the system by joint contributions from employers, employees and the state; and the entire exclusion of all profit-making insurance companies from the field. The Massachusetts commission was continued by the general court to make further investigations " . . . of the extent to which poverty occasioned by sickness may be alleviated, medical care for wage-earners and others of limited means, and measures to prevent disease may be promoted, by insurance."¹⁰ Allowances for travel and other expenses were to be made by the governor and council. The California legislature submitted the constitutional amendment proposed by the social insurance commission to popular vote in November, 1918.

During the legislative sessions of 1917, new investigating commissions were created in the following states: Connecticut,¹¹ Illinois,¹² New Hampshire,¹³ Ohio,¹⁴ Pennsylvania,¹⁵ and Wisconsin.¹⁶

In 1918, the governors of New Jersey and Massachusetts in their annual messages recommended the adoption of health insurance as a means of conserving public health. No legislation resulted from the introduction of bills and no new commissions were created. The Massachusetts commission made its report to the general court January 15, 1918, submitting drafts of proposed legislation relating, among other things, to the extension of the facilities for medical aid; the organization of voluntary industrial group insurance; and recommending the establishment of a commission to investigate further the question of state health insurance, " . . . as a measure of relief for the wage-earners suffering from sickness and its consequences."¹⁷

So far, the only measure submitted for popular vote is the California constitutional amendment which was defeated by a very decisive vote

¹⁰ *Massachusetts Resolves*, 1917, c. 130, p. 499.

¹¹ Connecticut: 1917, *Session Laws*, c. 163.

¹² Illinois: 1917, *Session Laws*, p. 488.

¹³ New Hampshire: 1917, *Journal*, p. 697, House Resolution.

¹⁴ Ohio: 1917, *Session Laws*, p. 520.

¹⁵ Pennsylvania: 1917, *Session Laws*, c. 414.

¹⁶ Wisconsin: 1917, *Session Laws*, Joint Resolution 24, c. 604.

¹⁷ Report of the Special Commission on Social Insurance, Jan. 15, 1918. Senate No. 244. See also C. D. Babcock, *The A B C of Compulsory Health Insurance* (pam.).

in November, 1918. During 1919 there are six legislative commissions to report the results of their investigations and it has been estimated that legislation will be proposed in thirty or more states. The rapid development of the movement has been stimulated by the publication of the statistics relating to draft rejections. The attitude of various agencies, public and private, seems rather more favorable than at first, as shown by the indorsement of the American Federation of Labor in its annual meeting at St. Paul, Minnesota, June 10-20, 1918:

"The enactment of workmen's compensation laws by a number of state legislatures is now being followed by the development of a favorable sentiment for the enactment of health insurance laws. Already legislation of this kind has been considered by a number of state legislatures and in addition, commissions have been created for the purpose of making an exhaustive study of the subject and a report to their respective legislative branches thereon.

"Central bodies and state federations of labor in several places have been studying the question. Some of them have approved the principle, while others are supporting laws providing for universal health insurance.

"The organized labor movement approved the enactment of workmen's compensation legislation. Their approval of that legislation was based upon the theory that when the earning power of a worker was impaired by reason of an industrial accident, that he or his dependents should be compensated during the time he was suffering from said injury. The same rule holds good when the worker becomes incapacitated through illness—particularly illness due to trade or occupation. He and his family suffer through the impairment of his earning power just the same when he is ill as when he sustains an injury. The organized labor movement of America ought to formulate a program upon this subject.

"We therefore recommend to this convention that it authorize the Executive Council of the American Federation of Labor to make an investigation into the subject of Health Insurance, particularly as it applies to trade or occupational disease. If approved a model bill be formulated and reported to the American Federation of Labor for approval. We urge that as part of such legislation there should be embodied fundamental principles of democratic administration and guarantee to the workers of an equal voice and equal authority in the administration of all its features."

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